

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
LAUREL COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2010 Through June 30, 2011**



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AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

Lori H. Flanery, Secretary, Finance and Administration Cabinet
The Honorable Joyce Garland Parker
Laurel County Property Valuation Administrator
London, Kentucky 40741

We have performed the procedures enumerated below, which were agreed to by the Laurel County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2010 through June 30, 2011. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Laurel County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2011), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipt ledger, a disbursement ledger, and reconciles bank records to books each month. The auditor re-performed the year-end bank reconciliation for all accounts, and verified accuracy. However, it was noted that there were abnormal delays (more than 3 business days) between funds being received and funds being deposited.

PVA's Response -

I agree.



Lori H. Flanery, Secretary, Finance and Administration Cabinet
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(Continued)

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

City payments were confirmed and agreed to the city payments recorded by the PVA. The list of city receipts was complete.

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

Payments made by the Fiscal Court agreed to payments recorded by the PVA. The Fiscal Court contributed the legally required amount calculated by the Department of Revenue. County payments were traced to the PVA's bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

The auditor judgmentally selected 15 disbursements from PVA records. Expenditures from PVA records agreed to cancelled checks and paid invoices. The PVA had \$110 in late fees, and \$38 in bank fees that were not for official business. All credit card statements were reviewed. The PVA had \$436 in late fees and interest charges that were not for official business. Ten (10) purchases, totaling \$268 had incomplete invoices. All other credit card purchases were for official business.

PVA's Response -

I reimbursed the P.V.A. account \$584.00 for late fees, bank charges and interest, today (04-11-12). The 10 purchases that had incomplete invoices had summary invoices in lieu of detailed invoices.

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5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

The PVA did not make any capital outlay disbursements during fiscal year 2011.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

Payments for a copier lease agreement and a professional service contract agreed to cost schedules. Services received were appropriate, for official business, and properly authorized. No vehicle leases or personal service contracts were identified.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA did not overspend in any account series.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

Collateral was not necessary to secure the PVA's funds.

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Timesheets are completed, maintained, and signed by employees.

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(Continued)

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

This procedure is not applicable because there was not a change in PVA.

11. Procedure -

For newly hired employees, during July 1, 2010 through June 30, 2011, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

There were no newly hired employees during fiscal year 2011.

12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA's office was closed two (2) days in addition to the state's approved holidays. The proper procedures and forms were completed to document the closure.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Adam H. Edelen', with a stylized flourish at the end.

Adam H. Edelen
Auditor of Public Accounts

April 11, 2012